



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

June 20, 2013

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit House File 648, an Act relating to state and local finances by making transfers and appropriations and including effective date and applicability provisions.

House File 648 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Division II in its entirety. This item provides supplemental appropriations from the General Fund to the Judicial Retirement and Peace Officer Retirement Funds. While these retirement plans have funding shortfalls, trying to make up for these shortfalls should not be borne only by taxpayers of the State. Iowa needs a comprehensive, long-term, sustainable plan for making up the shortfall in these retirement funds. The plan should include both the State and the participants of the plan as financial partners in bringing these funds to financial balance. The division also eliminates the annual standing appropriation of \$5,000,000 to the Peace Officer Retirement Fund. My disapproval of the division restores \$5,000,000 in funding starting in fiscal year 2014.

I am unable to approve the item designated as Section 9, paragraph 6, subparagraph c in its entirety. This item provides \$1,000,000 in maintenance funding for community colleges. I did not include this spending in my budget recommendation. Community colleges have received other increases and additional funding for the next fiscal year in other areas beyond my recommendations. Therefore, this funding is not approved.

I am unable to approve the item designated as Section 9, paragraph 10, subparagraph b in its entirety. This item provides \$50,000 to fund a new public safety training and facilities task force. This funding is no longer necessary due to the fact that the new task force was disapproved in Senate File 447.

I am unable to approve the item designated as Section 9, paragraph 10, subparagraph c in its entirety. This item provides \$150,000 to regional emergency response training centers, distributed on an equal basis. Providing funding to entities without guidance or oversight is not an efficient use of taxpayer funds.

I am unable to approve the item designated as Section 9, paragraph 11, subparagraph g in its entirety. This item spends \$3,000,000 to plan and design a new project, the University of Iowa Pharmacy Building Renovation. Early estimates reveal an anticipated cost of at least \$67,600,000. Until strategic plans and sustainable financing are secure, it is not appropriate to spend taxpayer money designing and planning the project. The Iowa Board of Regents should continue to engage in a long-term strategic planning process to review infrastructure needs in light of changes in educational technology. Technology and innovation should make it feasible to deliver high-quality education to students at a lower tuition and infrastructure cost, as delivery of educational services will require less physical presence on college campuses in the future.

I am unable to approve the item designated as Section 9, paragraph 11, subparagraph h in its entirety. This item spends \$2,500,000 to plan and design a new project, the Iowa State University Biosciences Building. Early estimates reveal an anticipated cost of at least \$42,500,000. Until strategic plans and sustainable financing are secure, it is not appropriate to spend taxpayer money designing and planning the project. The Iowa Board of Regents should continue to engage in a long-term strategic planning process to review infrastructure needs in light of changes in educational technology. Technology and innovation should make it feasible to deliver high-quality education to students at a lower tuition and infrastructure cost, as delivery of educational services will require less physical presence on college campuses in the future.

I am unable to approve the item designated as Section 9, paragraph 11, subparagraph i in its entirety. This item spends \$1,500,000 to plan and design a new project, the University of Northern Iowa Schindler Education Center Renovation. Early estimates reveal an anticipated cost of at least \$31,600,000. Until strategic plans and sustainable financing are secure, it is not appropriate to spend taxpayer money designing and planning the project. The Iowa Board of Regents should continue to engage in a long-term strategic planning process to review infrastructure needs in light of changes in educational technology. Technology and innovation should make it feasible to deliver high-quality education to students at a lower tuition and

infrastructure cost, as delivery of educational services will require less physical presence on college campuses in the future.

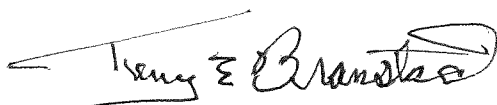
I am unable to approve the item designated as Section 9, paragraph 12 in its entirety. This item provides \$150,000 for the operation of a contract air traffic control tower in Dubuque. Earlier this year, concerns existed that federal sequestration of funds could withhold funds and affect operation of this control tower. However, federal funding was restored. The state funds are no longer needed.

I am unable to approve the item designated as Section 9, paragraph 14 in its entirety. This item provides \$300,000 for an entity to provide education and training for occupations in Iowa's renewable energy production industries and related educational opportunities. While I support renewable energy and the job opportunities associated with it, this spending provides state taxpayer dollars for a program pursuant to a federal grant with no state guidance or oversight. This is not the best use of state taxpayer funds. We have already provided \$15.8 million in fiscal year 2014 for workforce training through the Iowa Skilled Worker and Job Creation Fund, an increase of \$7.8 million over fiscal year 2013.

I am unable to approve the item designated as Section 10 in its entirety. This item transfers \$13,000,000 to the risk pool at the Department of Human Services for payment of mental health costs at the county level. Under the new Iowa Health and Wellness Plan, Iowans will have access to high quality mental health services. These services will be fully funded by federal dollars which greatly reduces the demand on county mental health funds. Counties are already receiving additional funds aiding the redesign of the mental health system, including \$11,628,317 in transition funds and \$29,820,478 in equalization funding, as well as the \$110,656,258 to be collected statewide in property taxes to support mental health services. The additional risk pool funding is not necessary at this time.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 648 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a long horizontal line extending to the left.

TERRY E. BRANSTAD
Governor